



PEACE & EQUITY
FOUNDATION



REPORT FOR 2006

local capacities taking root

■ PEACE
EQUITY
ACCESS FOR
COMMUNITY
EMPOWERMENT FOUNDATION, INC.

■ **The Peace Equity Access for Community Empowerment Foundation, Inc. (or Peace and Equity Foundation, PEF) is a non-stock, non-profit organization founded in October 2001 to empower the poor and marginalized communities in Philippine society. PEF administers an endowment fund established by the Caucus of Development NGO Networks (CODE-NGO).**

PEF focuses its assistance to the country's poorest provinces (initially focusing on 28 priority provinces and the National Capital Region). Based on a national poverty mapping conducted in 2003, these are areas with low income, large magnitude of poor residents, inadequate health and education services, and other generally accepted indicators of poverty.

PEF works in partnership with civil society organizations such as people's organizations, cooperatives, faith-based groups, non-government organizations, and similar entities that serve the struggling households in the poorest communities.



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Local Capacities Taking Root

MESSAGE FROM THE CHAIRPERSON



Nearly five years ago, the Peace and Equity Foundation took a distinct route to reach the poorest communities. That route was through setting up of a Partnership Access Center in each priority province. The PAC is a network of Civil Society Organizations in a province that has decided to band together to work with communities to overcome poverty.

Armed with key principles, which have been honed by seasoned community organizers and development managers in our board, we embarked on piloting the PAC strategy in three areas – Cebu and South Cotabato provinces and the Cordillera Region. By 2006, twenty provinces and one district in Metro Manila each had PAC albeit in different stages of formation.

If anything, together with the PACs, we have learned by doing. The PAC adopted tested project designs, as in water systems, coupled with continuing training for peoples' organizations to become better managers of their own basic services and micro-lending programs. Provincial or city poverty maps were validated and became vantage points of the PAC for planning development programs with local government. Moreover, in 2006, the PAC operated more efficiently, facilitated better projects and leveraged additional local resources to extend its reach further.

In 2006, PEF forged notable links in its partnership chain - links that nurtured local capacities in the southernmost islands of the archipelago; links that tied the efforts of private sectors and civil society in expanding microfinancing to the poorest. For the first time, PEF embarked on a fund management project to move micro-financing for household level renewable energy sources.

The lynchpin of all PEF partnerships is local capacity to collaborate and coalesce into programs. The PAC in the priority area tends the seedlings of local capacity until it bears fruit in well-managed and sustained services for the poor.

In the late 1960's and 70's, youth activists of our generation felt that they can be better agents of social change if they immersed with the poor – lived, ate and worked among the oppressed. Now, in greater maturity, we believe that the poor are themselves change agents and their capacities to manage responsibly and create better communities have taken root. PEF hopes to continue adding water and nutrients to their soil.

In behalf of the PEF Board of Trustees and Members, may I convey our deep admiration for our PACs and key partners for tending the roots of local capacities. I also wish to extend our gratitude to the staff and associates for their wellspring of know-how and belief that strengthens our project partners.

With you, we stay true to our path of empowering communities!

A handwritten signature in black ink, reading "Noel D. Vasquez". The signature is fluid and cursive, with a long horizontal stroke at the end.

Fr. Noel D. Vasquez, S.J.

Vision

PEF ENVISIONS EMPOWERED COMMUNITIES THAT

- ▶ MEET THEIR BASIC NEEDS,
- ▶ ARE PRODUCTIVELY ENGAGED IN SOCIO-CULTURAL AND ECONOMIC ACTIVITIES, AND
- ▶ PARTICIPATE MEANINGFULLY IN GOVERNANCE

IN AN ATMOSPHERE OF SOCIAL HARMONY, COOPERATION AND SHARING.

Mission

PEF MANAGES AND PRESERVES THE VALUE OF ITS ENDOWMENT FUND TO PROMOTE OPPORTUNITIES FOR THE POOR TO LIBERATE THEMSELVES FROM POVERTY.

PEF ADDRESSES THE NEEDS OF THE URBAN AND RURAL POOR BY PROVIDING CIVIL SOCIETY ORGANIZATIONS THAT HELP THEM WITH DEVELOPMENT FINANCING AND TECHNICAL ASSISTANCE, AND PROMOTING APPROPRIATE TECHNOLOGY AND NETWORKING AMONG ALL RELEVANT STAKEHOLDERS.

Strategic Goals (2006-2010)

THROUGH INNOVATIVE SOCIAL AND ECONOMIC TECHNOLOGIES, REDUCE POVERTY INCIDENCE IN THREE (3) DEMONSTRATION PROVINCES AND IN CLUSTERS OF MUNICIPALITIES FOR THE OTHER 26 PRIORITY PROVINCES/AREAS BY AT LEAST 10%, AS EVIDENCED BY THE FOLLOWING INDICATORS:

- ▶ IMPROVEMENT IN PEF DEVELOPMENT INDEX/CORE POVERTY INDICATORS (I.E., WATER, HEALTH, HOUSING, EDUCATION AND ENVIRONMENT)
- ▶ EXISTENCE OF VIABLE ENTERPRISES AND VIBRANT SOCIAL ORGANIZATIONS IN THE COMMUNITY
- ▶ ABILITY OF PARTNER CIVIL SOCIETY ORGANIZATIONS (CSOs) AND COMMUNITIES TO GENERATE RESOURCES AND SUSTAIN THEIR OPERATIONS AND SERVICES;

AND IN COLLABORATION WITH THE FOLLOWING PARTNERS AND STAKEHOLDERS:

- ▶ LOCAL AND NATIONAL GOVERNMENT UNITS, TO PROMOTE NEEDED POLICIES AND PROGRAMS;
- ▶ PRIVATE SECTOR, TO FACILITATE MARKET AND ENTERPRISE LINKAGE AND EMPLOYMENT, AND
- ▶ CSOs TO ORGANIZE, EDUCATE AND ENHANCE PEOPLE'S CAPACITIES TO HELP THEMSELVES AND ASSERT THEIR RIGHTS/CLAIMS.





2006

DEVELOPMENT

financing

highlights

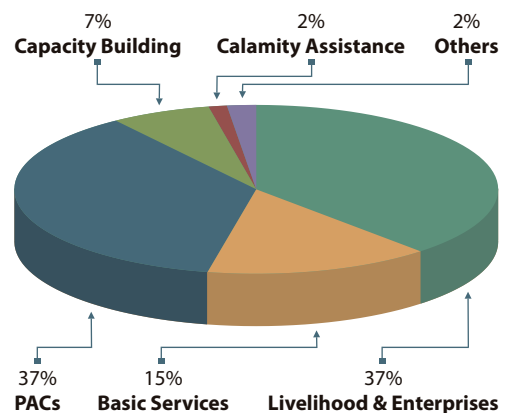


In 2006, PEF approved funding for **181 new projects** with a total of **₱129 million**. Of this total approved amount, sixty-percent (₱77 M) was allocated for grants, while forty percent (₱52.1 M) was for loans.

Nine (9) new Partnership and Access Center (PAC) have total approved amount of ₱47.5 million (37%). PAC funds are meant for Project Grants and Loans for community clients, Institutional Support and Capacity Building for the PAC.

Livelihood and employment-generating ventures received the biggest slice of funding support with ₱49.2 million going to 30 projects. Microfinancing projects, although numbering only 5 received ₱33 million, which is 2/3 of the amount.

PROJECT TYPE	NO. OF PROJECTS	AMOUNT	%
Livelihood & Enterprises	30	49.2	37
Basic Services	30	19.3	15
PACs	9	47.5	37
Capacity Building	91	8.9	7
Calamity Assistance	8	2.0	2
Others	13	2.1	2
Total	181	129	100



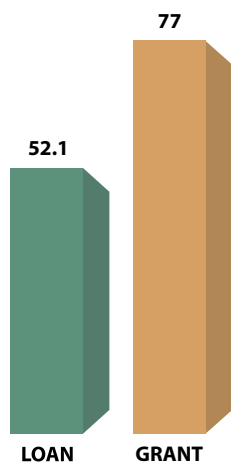
2006 Projects Approvals



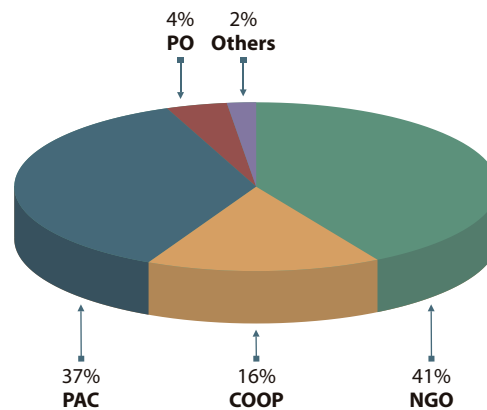
Basic services projects numbered 30 garnering 15% of the total amount, or ₱19.3 million. Of this, ₱16.2 million (84%) went to 22 water system projects and added 10,200 households as direct beneficiaries.

Although there were more major calamities in 2006 than 2004-05, the approval decreased by half from ₱4 to ₱2 million. More local and international agencies have been mobilizing for disaster and calamity relief assistance, so that PEF just augmented efforts and moved more funds for rehabilitation.

Based on actual approvals, 20% of funds went to membership-based organizations while NGOs got 41% of the approved funds.



2006 Project Approvals: Loans and Grants



2006 Approvals by Proponent Type

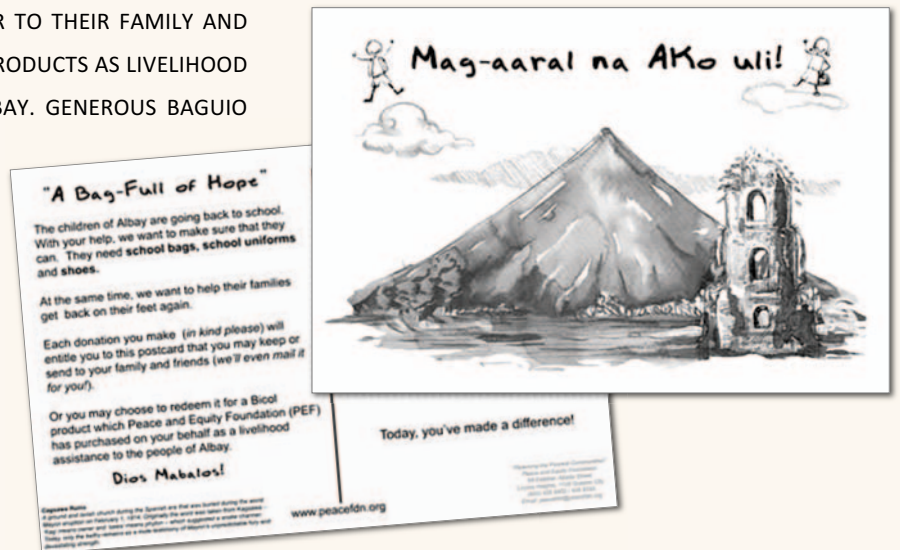
Christmas brings Hope to Children of Albay



October 2006. TYPHOON REMING POURED RECORD RAINFALL IN THE BICOL PROVINCES, WITH ALBAY STILL REELING FROM THE PACKED RAPID WINDS OF TYPHOON MILENYO THE MONTH BEFORE AND MT. MAYON VOLCANO'S PROTRACTED ERUPTIONS THAT SPEWED OUT MOLTEN ROCKS AND MUD SINCE JULY 2006. NGO AND PO WORKERS WERE ALSO VICTIMS AND TURNED CALAMITY ASSISTANCE ORGANIZERS EVEN AS THEIR CLOTHES WERE STILL WET AND MUDDIED AND THEIR FAMILIES STILL WITHOUT HOMES.

PEF AND NGO-PO PARTNERS, ALTERNATIVE SYSTEMS FOR COMMUNITY DEVELOPMENT (ASCODE), ST. AQUINAS UNIVERSITY, AND THE SOCIAL ACTION CENTER (SAC) - LEGAZPI AND ALBAY PROVINCIAL NGO-PO NETWORK FOR DEVELOPMENT (ALPRODEV), CELEBRATED CHRISTMAS WITH 400 CHILDREN FROM BRGY. MABUGOS, GUINOBATAN AND BRGY. TAGAS, DARAGA ON DECEMBER 28-29, 2006. CLOWNS, GAMES AND A COMEDY FILM DREW CHEERS AND CHEER FROM THE CHILDREN AND THEIR PARENTS, WHO TILL THEN WERE LIVING IN MAKE-SHIFT LEAN-TOS, WITH RELATIVES OR IN HEAVILY JAMPACKED EVACUTATION CENTERS.

February 2007. PEF SOLICITED "A BAG-FULL OF HOPE" FOR THE ALBAY CHILDREN AT THE PANAGBENGA FESTIVAL IN BAGUIO CITY. IN EXCHANGE FOR DONATIONS, PEF GAVE OUT POSTCARDS WHICH IN TURN WERE EITHER FREE-MAILED BY THE DONOR TO THEIR FAMILY AND FRIENDS OR REDEEMED FOR BICOL PRODUCTS AS LIVELIHOOD ASSISTANCE TO THE PEOPLE OF ALBAY. GENEROUS BAGUIO CITIZENS GAVE 33 BOXES IN ALL OF BOOKS, SCHOOL SUPPLIES, UNIFORMS, AND CASH, WHICH BOUGHT SCHOOL SUPPLIES AND REACHED 1,221 ALBAY KIDS IN TIME FOR SCHOOL OPENING IN JUNE.





LOCALIZING

poverty
reduction

partnership and access

centers

Indeed, there is social capital in the networks of civil society organizations which have grown and become the “third force” of society, with public and business sectors being the other two. PEF was created to bolster CSO capacities in reaching and empowering the poor. Thus, PEF adopted a pioneering strategy – to establish a Partnership and Access Center (PAC) in a priority province.

A PAC is a convergence group of local civil society and peoples’ organizations. It is meant to provide the poor with better and timelier access to technical, financial and knowledge resources.

A PAC is, moreover, a local-level multi-sectoral partnerships, giving the different stakeholders a venue to interact and agree on geographical and sectoral priorities. In the PEF priority areas, the PAC engages with provincial or municipal governments to mobilize their resources for basic services and livelihood opportunities for the poor.

To date, there are 21 PACs in various stages of growth as local development agents in the poorest provinces in the country. Seven of these were formed in 2006. These PACs, except for the Multi-Sectoral Alliance for Development-Negros (MUAD), are in the formative stage—developing their strategies at the provincial level, determining their focus and building up their institutional capacity. In addition, they will manage ₱47.5 million or 37% of the total projects approved in 2006.

PAC	PROVINCE	APPROVED AMOUNT (in million P)	PROJECT DURATION
LUZON			
Kabalikat para sa Diyos at Bayan Multi-Purpose Cooperative	Romblon	4,772,980	3 years
VISAYAS			
Multi-Sectoral Alliance for Development – Negros (MUAD)	Negros Occidental	7,500,000	3 years
		500,000	8 months
Northern Samar Provincial Access Center	Northern Samar	5,000,000	3 years
MINDANAO			
Nagdilaab Foundation, Inc.	Basilan	5,052,000	1.5 years
Mindanao Coalition of Development NGO Networks	Davao del Sur	5,044,500	3 years
Sarangani Province Empowerment and Community Transformation Forum	Sarangani	5,018,000	1.5 years
Center for Social Concerns and Development	Zamboanga del Norte	4,812,000	2 years
National Council of Social Development Foundations of the Philippines, Inc.	NCR-CAMANAVA (Caloocan, Malabon, Navotas, Valenzuela)	9,800.00	3 years



CHALLENGES OF COLLABORATION

While some of the PACs have shown their mettle in mobilizing funds and resources for poverty alleviation, the greater number are still grappling with crucial challenges.

For one, many PACs are more adept at responding to basic services and advocacy on socio-political issues, rather than economic or enterprise-based activities. These PACs have begun to identify enterprise “niches” that they can use to spur livelihood opportunities and local economic development. Moving through the intricate world of microfinancing loans and micro-enterprises is new ground for most PACs to tread. Fortunately, they have some role model PACs that are clearing the path and learning lessons, such as the Coalition of Social Development Organizations of South Cotabato (CSDO-SC), and the Multisectoral Alliance for Development NGOs (MUAD) in Negros Occidental.

Another challenge for the PAC is melding the members’ commitments and capitalizing on their well-spring of expertise. Each CSO member may have a social sector focus – such as urban poor, fisherfolk, or indigenous people – or has built-up know-how on specific interventions such as environmental advocacy or community organizing. Working together while pursuing one’s own development agenda and organizational sustainability demands great effort and commitment from local CSOs.

In face of these challenges, PEF will continue to rely on CSOs as partners in local poverty reduction. CSOs are still the mobilizing “third force” in community empowerment.



POVERTY MAPPING: STARTING WITH LOCAL STAKEHOLDERS

When the Peace and Equity Foundation (PEF) set its program in motion in 2002, it began by plotting the complex landscape of poverty in the country. PEF conducted a review of official provincial poverty indicators at the national level. Based on this, PEF identified priority provinces and the National Capital Region, where it would focus its development efforts to reduce poverty.

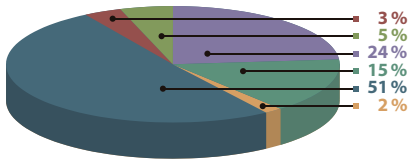
To further understand the local situation of poor households, PEF did poverty mapping of priority provinces. By 2006, a total of 14 poverty maps, 12 of provinces and 2 of cities have been produced. Each map depicts the severity of at least 10 key poverty indicators in employment, education, health, and housing conditions (these indicators according to poverty statisticians have the highest correlation to poverty), and a combination of the indicators called the PEF Development Index.

As important as the information presented in the printed poverty maps is the process of information gathering, validation and priority setting that local stakeholders do using the maps. The Poverty Maps start and end with the local development partners.

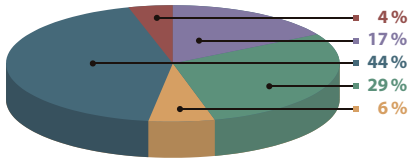
partnership & financing

highlights

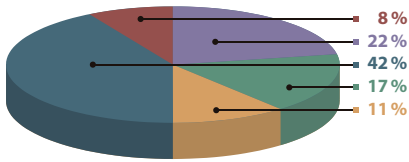
Luzon: ₱25.7M, 59 projects



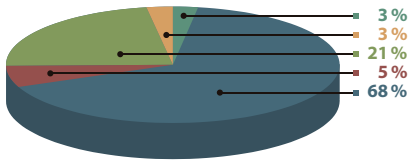
Visayas: ₱43.5M, 48 projects



Mindanao: ₱39.2M, 36 projects



National: ₱20.6M, 38 projects



Color legend

- BASIC SERVICES
- LIVELIHOOD & ENTERPRISES
- PAC
- CAPACITY BUILDING
- CALAMITY ASSISTANCE
- RESEARCH & DEVELOPMENT

Priority Provinces

LUZON
11 PROVINCES AND 1 REGION

- Cagayan
- Quezon
- Oriental Mindoro
- Marinduque
- Romblon
- Camarines Norte
- Camarines Sur
- Albay
- Sorsogon
- Masbate
- Palawan
- National Capital Region

VISAYAS
7 PROVINCES

- Northern Samar
- Samar
- Eastern Samar
- Biliran
- Bohol
- Negros Occidental
- Oriental Negros

MINDANAO
10 PROVINCES

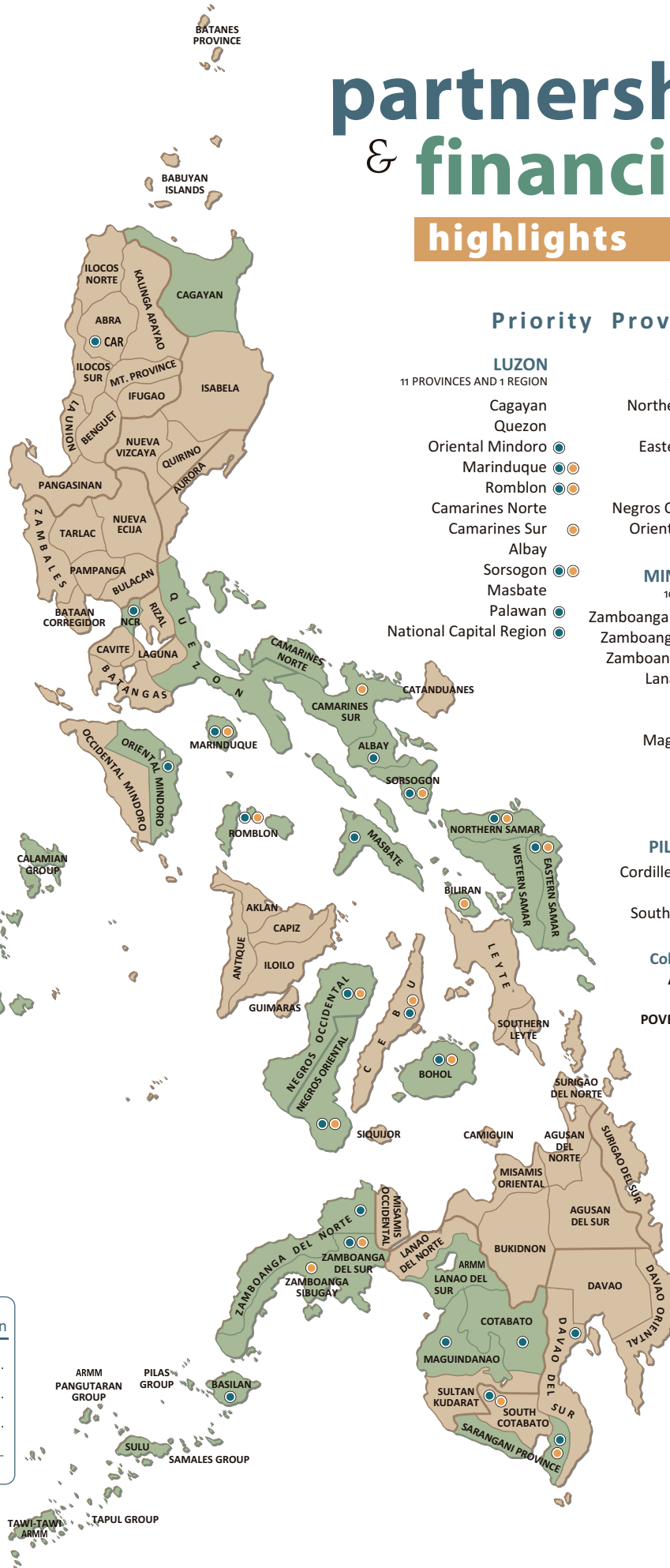
- Zamboanga del Norte
- Zamboanga Sibugay
- Zamboanga del Sur
- Lanao del Sur
- Cotabato
- Sarangani
- Maguindanao
- Basilan
- Sulu
- Tawi-tawi

PILOT PACs

- Cordillera Region
- Cebu City
- South Cotabato

Color legend

- Areas with:
PACs
- POVERTY MAPS



Region	2006		2001-2006	
	No.	in ₱ million	No.	in ₱ million
Luzon	59	25.7	250	227.8
Visayas	48	43.5	180	197.5
Mindanao	36	39.2	171	252.1
National	38	20.6	117	98.6
Total	181	129	718	776





PARTNERSHIP AND ACCESS CENTERS

LUZON

ALBAY

Albay Provincial NGO-PO Network for Development (ALPRODEV)

CORDILLERA ADMINISTRATIVE REGION

Cordillera Network of Development NGOs and POs (CORDNET)

MARINDUQUE

Marinduque Diocesan Development Cooperative

ORIENTAL MINDORO

Oriental Mindoro NGO/PO Network (ORNET)

SORSOGON

Provincial Alliance of NGOs and POs for Development Inc. (PANGOPOD)

PALAWAN

Palawan Network of NGOs, Inc. (PNNI)

ROMBLON

Kabalikat para sa Diyos at Bayan Multi-Purpose Cooperative (KAD-BAYAN MPC)

CAMANAVA, METRO MANILA

National Council of Social Development Foundations of the Philippines (NCSD)

VISAYAS

BOHOL

Feed the Children, Philippines Inc.

CEBU

Alliance for Land and Livelihood for the Rural and Urban Poor of Cebu (ALL-r-UP)

EASTERN SAMAR

Eastern Samar Coalition of NGOs and POs

NORTHERN SAMAR

Northern Samar Provincial Access Center

ORIENTAL NEGROS

Negros Oriental Network of NGOs (NEGORNET)

NEGROS OCCIDENTAL

Federation of Multi-Sectoral Alliance for Development- Negros (MUAD-Negros)

MINDANAO

BASILAN

Nagdilaab Foundation Inc.

DAVAO CITY

Mindanao Coalition of Development NGO Networks (MINCODE)

MAGUINDANAO

Kutawato Coalition of Development NGOs

SARANGANI

Sarangani Province Empowerment and Community Transformation Forum (SPECTRUM)

SOUTH COTABATO

Coalition of Social Development Organizations in South Cotabato (CSDO-SC)

ZAMBOANGA CITY

Zamboanga Coalition of Development NGOs (ZAMCODE)

ZAMBOANGA DEL NORTE

Center for Social Concerns & Development (CESCOD)

Social Development Week 2006

KASALI KA, SUMALI KA! (WITH US! JOIN US!)



THE CAUCUS OF DEVELOPMENT NGO NETWORKS (CODE-NGO) CONVENED SD WEEK 2006 (NOV 26 TO 30) WITH THE 2000-STRONG PO AND NGO MEMBERS UNITING IN A NATIONAL CONVENTION TO PREPARE FOR CRITICAL PARTICIPATION IN THE 2007 NATIONAL ELECTIONS.

LIKE AN ANNUAL RITUAL, SD WEEK WAS CAPPED WITH THE TRADE FAIR OF NGOS AND POS, ON THE 27TH TO THE 30TH OF NOVEMBER AT THE GLORIETTA ACTIVITY CENTER IN MAKATI CITY. NINETEEN PACS AND DEVELOPMENT NGOS SOLD COMMUNITY PRODUCTS. NEW ENTRANTS TO THE SD WEEK MARKET ARE THE CLARET SAMAL FOUNDATION WITH THEIR COLORFUL SAMAL-BAJAU MATS, AND THE TERRA-COTTA ARTISTS MUNYIKANG PUTIK OF NEGROS OCCIDENTAL, WHO AWED SHOPPERS WITH THEIR CRAFT DEMONSTRATIONS.

TOP GROSS EARNERS OF THE TRADE FAIR WERE: **CORDILLERA NETWORK OF DEVELOPMENT NGOS AND POS (CORDNET)**, **COALITION OF BICOL DEVELOPMENT (CBD)** AND **PALAWAN NETWORK OF NGOS, INC. (PNNI)**.

Provincial Trade Fairs

PEF CREATES OPPORTUNITIES FOR ITS PARTNERS TO DEVELOP THEIR ENTREPRENEURIAL CAPACITIES THROUGH PRODUCT FAIRS AND EVENTS. IN 2006, PEF CO-ORGANIZED WITH THE PARTNERSHIP AND ACCESS CENTERS EXCITING TRADE EXHIBITIONS:



2006 TRADE FAIRS		
DATE	THEME/ TITLE	PAC/ NGO/PO PARTICIPANTS
March 8-12, 2006 Ayala Business Center, Cebu City	Social Development Week-Visayas Atò ni Day! Atò ni Doy!	18
September 14 to 17, 2006 Robertson Mall, Naga City	Satuya ni Madi! Satuya ni Padi! Penafranca Festival Trade Fair	9
October 19-22, 2006 Robinson's Mall, Bacolod City	Aton ni Day, Aton ni To! Masskara Festival Trade Fair	9
November 24 to 26, 2006 Market! Market! Trade Hall, Fort Bonifacio	Phil-Japan Friendship Partnership Trade Fair	3
November 27 to 30, 2006 Glorietta Activity Center, Makati City	Social Development Week Kasali Ka, Sumali Ka!	19
TOTAL		58

PEF partners

with **networks**

PEF continues to work with multi-sectoral networks to widen its development outreach. By linking these national-level partnerships with the provincial CSOs, local poverty reduction projects are spawned. These partnerships grew fast and firm in 2006.

COMMUNITY BASED MONITORING SYSTEM (CBMS) INTERNATIONAL NETWORK



In 2005, Community Based Monitoring System (CBMS) Network established a development grant program for LGUs and CSOs. CBMS is a poverty mapping and monitoring tool using household level indicators that are similar to the UN Millennium Development Goals (MDG). LGUs that apply this tool get more thorough socio-economic profiles of their communities, enabling them to prioritize development projects and sectors.

PEF and the United Nations Development Program (UNDP) contributed Development Support Grants (for PEF up to ₱4 million with ₱150,000 per grant). The PEF-CBMS partnership began in Palawan and Camarines Norte where five livelihood and water projects were funded in 2005. In 2006, PEF supported nine new projects identified through the CBMS in four provinces with Biliran and Leyte added to the two mentioned provinces. The beneficiaries of these small grants include a community of 150 farmers and their families in Cuyo Island, northern Palawan who had no access to clean water, the 50 members of a vendors' cooperative engaged in pineapple production for fine piña fiber in Labo, one of the poorest towns in Camarines Norte province, and at least 40 fisherfolks running a small, mudcrab fattening project in Cabucgayan, Biliran.



2006 CBMS PROJECTS				
PROJECT TITLE	PROJECT SITE	AMOUNT APPROVED	PROJECT TYPE	BENEFICIARIES
Mudcrab Production in Mangrove	Sitio Naga, Brgy Looc, Cabucgayan, Biliran	150,000	Micro-Enterprise	43 FISHERFOLK
Fertilizer and Palay Trading	Brgy Balaquid, Cabucgayan, Biliran	150,000	Micro-Enterprise	50 farmer-members
Credit Services	Capoocan, Leyte	150,000	Micro-Enterprise	70 male, 30 female
Potable Water Systems Project	Quezon, Palawan	150,000	Potable Water	150 farmers
Pineapple Processing	Brgy San Antonio, Labo, Camarines Norte	150,000	Micro-Enterprise	50 member beneficiaries
Development of Potable Water Spring System Phase I	Brgy Daguit, Labo, Camarines Norte	150,000	Potable Water	165 males, 150 females
Hacienda Montana Village Water System Project	Labo, Camarines Norte	150,000	Potable Water	1016 individuals: 488 male, 528 female
Potable Water System Development	Purok 1-7, Brgy Tulay na Lupa, Labo, Camarines Norte	150,000	Potable Water	5,076 individuals: 2,546 males, 2,530 females
Cassava and Peanut Production	Iberica, Labo, Camarines Norte	150,000	Agri. Dev't.	17 male, 18 female farmers

A MARKETPLACE OF DEVELOPMENT IDEAS: PANIBAGONG PARAAN 2006

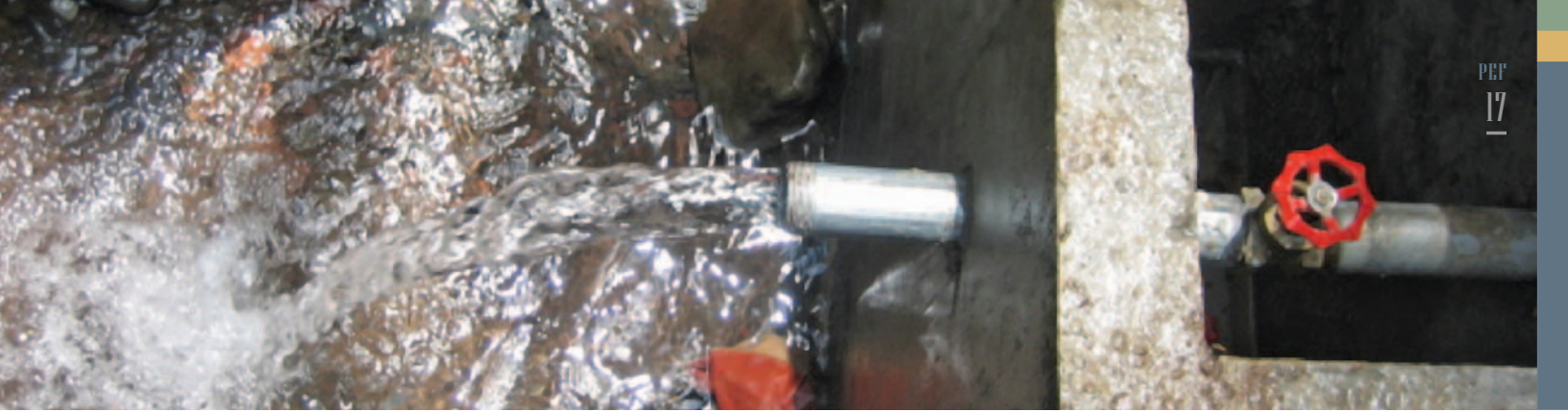


The World Bank and the Department of Social Welfare and Development, together with 18 partner organizations, awarded development grants to 59 CSOs and LGUs at the second Panibagong Paraan: A Development Marketplace on May 26-27, 2006.

With the theme *Development with Equity*, Panibagong Paraan 2006 aimed to solicit, recognize, and support innovative projects that give greater opportunities for the poor and spur good governance in communities.

PEF committed to fund seven projects whose ideas not only try out unique ways of using local human and environmental resources, but also strengthen local capacities for social enterprises. As of 2006, two (2) have been approved: 1) May K sa Dagat of the Municipal Local Government Unit of Sibunag, Guimaras (with Sibunag Seaweeds Growers and Traders Association, Inc.) and 2) Asset Based Community Development Project of the Lanao Foundation.





PAGTABANGAN BASULTA

“COMING TOGETHER TO HELP BASILAN, SULU AND TAWI-TAWI”

Pagtabangan BaSulTa is a consortium of ten (10) national organizations creating synergy with local, multi-sectoral leaders to sustain peace and development programs in the three southernmost provinces of the Philippine archipelago.

Since 2004, the consortium anchored its program on the strength of local leaders from various stakeholder groups. With the Asian Institute of Management (AIM) and Mirant Foundation’s Center for Bridging Leadership, local leaders of indigenous peoples, the government, state and non-state armed groups, faith-based groups and CSOs took on the convenors’ mantle by coming together and tackling their respective human security and development needs. Each province now has an actively engaged local convenors’ group of bridging leaders who pave avenues of dialogue and collaboration with LGUs and regional and national government agencies.

To harness resources and respond to development rights, Pagtabangan BaSulTa has formed thematic groups, namely: water and basic services; health; economic, income, livelihood; peace and security; disaster responsiveness; and ecology and resources.

2006 PAGTABANGAN BASULTA PROJECTS				
PROPONENT ORGANIZATION	PROJECT TITLE	PROJECT SITE	APPROVED AMOUNT	BENEFICIARIES
Claret Samal Foundation, Inc.	SDW Trade Fair 2006	Glorietta Activity Center, Makati City	15,000	23 Badjau women
Nagdilaab Foundation, Inc.	Strengthening of CSOs and Potable Water Writeshop	Isabela City, Basilan	150,000	20 participants from local CSOs
Nagdilaab Foundation, Inc.	Building Capacities towards the Establishment of a Partnership and Access Center in Basilan	Basilan Province	5,052,000	500 wage-earners, 150 youth/students, 300 women, 2,500 Moro people, 1,200 youth, 8,544 rural sector
Tawi-tawi Family Life Foundation, Inc.	Emergency Relief Assistance	Lamion, Tubig, Simandagit and Pasiagan, Bongao	200,000	600 families
Philippine Development Assistance Programme, Inc.	Sitangkai Seaweed Industry Master Plan Development	Sitangkai, Tawi-tawi	150,000	NGOs and private sector groups in seaweed industry in ARMM



PINOY ME: FROM MICROFINANCE TO MICROENTERPRISE



It began with a call in 2005 for Pilipino People Power to spur microfinancing for the poor.

The Filipino Micro Enterprise or Pinoy ME movement aims to raise ₱5 billion within 5 years—from 2006 up to 2010—to reach out to 5 million active microfinance clients in the poorest areas in the country. Former President Corazon C. Aquino leads national leaders of the private sector, civil society, academic and microfinance institutions to tackle the challenge.

With coordinating and secretariat work by the Benigno S. Aquino Foundation and a development grant from PEF (₱1.07 M), Pinoy ME has set its moorings on four pillars, namely: Capacity building of MFIs for effective outreach; Information management to direct microfinancing services to underserved communities; Business development services in MFIs to upgrade microenterprises from retail trading to value-adding production and marketing; Resource generation to harness private sector investments in microenterprises.

PEF is involved in all the above aspects, but is now more actively engaged in the Resource generation group. To be launched in 2007 is the PinoyME Social Investment Fund, the financial intermediary of PinoyME for private and philanthropic individuals and corporations to move microfinancing clients to be entrepreneurs.



PEF also supported Pinoy ME in terms of a meeting with regional microfinance councils to further map out its capacity building needs and enhance information sharing. Furthermore, a microfinance impact study led by the Social Enterprise Development Partnerships, Inc. together with three (3) partner MFIs (Katotohanan, Pagkakaisa at Serbisyo, Inc., Negros Women for Tomorrow Foundation, Inc. and Barangka Credit Cooperative) is expected to input to the development of Pinoy ME's capacity building program.

PEF manages microfinance funds

In 2006, PEF committed to serve as the Fund Manager of two programs: one promoting household and community-level renewable energy technology and the other stimulating microenterprises in Mindanao.

MICROFINANCING TO REMOVE BARRIERS TO RENEWABLE ENERGY



Twenty percent of the country's population still has no access to electricity. They live in remote rural areas beyond the reach of electric power grids.

PEF has thus teamed up with the Department of Energy (DOE), United Nations Development Programme (UNDP) and the Global Environment Facility (GEF) in a trailblazing microfinance project. The project's funds come from the Microfinance Fund of the Capacity Building to Remove Barriers to Renewable Energy Development or CBRED.

BEST of PREN (Building Economic, Social and Technological Opportunities and Foundations to Promote Renewable Energy Nationwide) aims to provide energy-poor communities in 32 priority areas access to renewable energy technologies. Through this project, PEF will manage \$535,500 of CBRED funds beginning October 2006.

An initial loan package of up to ₱1.2 million will be offered to microfinance institutions and other organizations to roll out in micro-loans for household or community-level renewable energy projects. RE technologies already available in the BEST of PREN lineup for community application are solar photovoltaic (PC) lights, biogas, biomass stoves, hydraulic ram pump and pico-hydropower. BEST-OF-PREN further assists feasibility study making, technology training and organizational development to minimize the risks involved in implementing RE projects.



PROMOTING MICRO ENTERPRISE DEVELOPMENT IN MINDANAO

The southern archipelago of Mindanao has remained as the locus of social development projects of foreign and domestic funding agencies. Statistical and human development indices say that of the Philippines' ten poorest provinces, seven are in Mindanao. The Catholic Organization for Relief and Development (CORDAID) is one funding agency that sought local development partners to sustain and synergize financial and technical assistance for the poor in these provinces. Thus, PEF and CORDAID have come together in the Mindanao Partnership Project for Peace (MP3).



MP3 will move a ₱100 million fund, beginning 2007, for credit assistance and institutional support to community-based microentrepreneurs. Eighty million pesos (₱80 million) will come from CORDAID and will be used for the sustained operations and expansion of Mindanao CSOs in microfinancing and social enterprise projects. Twenty million pesos (₱20 million) from PEF will support social enterprise projects of Peoples' Organizations.





PARTNERSHIP **projects**



PARTNERSHIP PROJECTS IN 2006

Luzon

PROPONENT ORGANIZATION	PROJECT TITLE	TOTAL	GRANT	LOAN
BASIC SERVICES				
Aquinas University Foundation, Inc.	Establishing Health Plus Social Health Enterprises in the Province of Camarines Sur	720,500	720,500	
Kabalikat ng Botika Binhi, Inc.	Enhancing People's Participation in the Delivery of Basic Health Services through Botika Binhi Drug Insurance Program	527,900	527,900	
Bicol Initiatives for Community Health Development, Inc.	Health Plus Social Franchising in Albay: Supplemental and Emergency Funding for Revolving Drug Fund of Newly Installed HPOs	500,000	500,000	
Bayanihan Linis-Tanim Multi-Purpose Cooperative	Balikatan Tungo sa Katatagan ng Antipolo (BALIKATAN) Water Project	1,070,491	1,070,491	
Tagbanua Educational Foundation of Lamane	Construction of Lamane Level 2 Water System	887,959	887,959	
Samahang Layko, Inc.	Balatasan Community-Managed Potable Water System	736,740	736,740	
St. Joseph the Worker Multi-Purpose Cooperative	Raincatcher - Corcuera Rainwater Harvesting	713,508	713,508	
Banton Multi-Purpose Cooperative	Rain for Life - Banton Rainwater Harvesting	642,369	642,369	
Veterans - Christian Women Association, Inc.	Provision of Sufficient Supply of Potable Water	536,199	356,199	180,000
Institute for the Development of Educational and Ecological Alternatives, Inc.	Potable Water Systems Project	150,000	150,000	
Tulay na Lupa Water Service Association	Potable Water System Development	150,000	150,000	
Hacienda Montana Village Homeowners Association, Inc.	Hacienda Montana Village Water System Project	150,000	150,000	
Daguit Farmers Multi-Purpose Cooperative	Development of Potable Water Spring System Phase I	150,000	150,000	
Lucena Diocesan Social Action Center	Water is a Need: A Communal Water Resource Rehabilitation and Installation	124,200	124,200	
LIVELIHOOD & ENTERPRISES				
People's Alternative Livelihood Foundation of Sorsogon, Incorporated - Bulan Satellite Office	Ugnay ng Buhay Project	5,353,750	353,750	5,000,000
Federation of People's Sustainable Development Cooperative	Fostering Partnerships for Socio-Economic Development and Capability Enhancement	5,000,000	1,000,000	4,000,000
Brgy. Iberica Cassava and Pineapple Producers and Processing Association	Cassava and Peanut Production	150,000	150,000	
Development for Indigenous Women Association	PAPHED Project: Developing the Organization, Improving Livelihood	150,000	150,000	
Samahan ng mga Nagkakaisang Mamamayan ng San Antonio, Inc.	Pineapple Processing	150,000	150,000	
Ilaw at Pag-asa ng Bayan, Inc.	Barangay Waste Vegetable Oil (WVO) Livelihood Project	128,000	128,000	

PROPONENT ORGANIZATION	PROJECT TITLE	TOTAL	GRANT	LOAN
Philippine Partnership for the Development of Human Resources in Rural Areas	Towards Sustainable Livelihood for Coconut Farming Communities: Designing Sustainable Integrated Area Development (SIAD) Project in Region V	120,000	120,000	
Benguet Network of Development-Oriented POs, Inc.	Skills Training on Bamboo Craft	100,000	100,000	
Cordillera Network of Development NGOs and POs	SDW Visayas Winner Grant – CORDNET Product Development and Marketing	50,000	50,000	
PARTNERSHIP & ACCESS CENTERS				
Kabalikat para sa Diyos at Bayan Multi-Purpose Cooperative	Partnership Access Center Establishment in the Province of Romblon	4,772,980	3,272,980	1,500,000
CAPACITY BUILDING				
Bicol Center for Community Development, Inc.	Exposure Learning Trip to Alternative Learning System in India	150,000	150,000	
Association of Foundations	Phil-Japan Partnership Symposium and Trade Fair 2006	150,000	150,000	
Palawan NGO Network Inc.	Trainors Training for Community Artisans	150,000	150,000	
Philippine Center for Traditional Asian Medicine Inc.	Natural Health Fair/World Congress on Acupuncture 2006	150,000	150,000	
Alternative Indigenous Development Foundation, Inc.	Participation to the 3rd Conference and International Exhibit: Watertech 2006	100,000	100,000	
Partnership of Philippine Support Service Agencies, Inc.	Social Technical Preparation for Setting up the Partnership Access Center (PAC) in Quezon City	96,500	96,500	
Coalition for Bicol Development	Peñafrancia Festival Trade Fair Exhibit 2006	95,977	95,977	
Palawan Center for Appropriate Rural Technology	Study Tour	90,000	90,000	
Palawan Center for Appropriate Rural Technology	Ferrocement Training and Evaluation of Potential Water Project Sites in Culion, Palawan	81,200	81,200	
Dagup Igorot Association	Dagup Igorot Association Training	50,000	50,000	
Cordillera Network of Development NGOs and POs	Phil-Japan Partnership Trade Fair	15,000	15,000	
Marinduque Organized Ventures Services, Inc.	Phil-Japan Partnership Trade Fair	14,359	14,359	
Provincial Alliance of NGOs and POs Development	Social Development Week-Visayas	13,000	13,000	
Cordillera Network of Development NGOs and POs	Social Development Week-Visayas	13,000	13,000	
Marinduque Butterfly Council	Social Development Week-Visayas	13,000	13,000	
Provincial Alliance of NGOs and POs Development	Social Development Week Trade Fair 2006	10,000	10,000	
Organic Certification Center of the Philippines	Social Development Week Trade Fair 2006	10,000	10,000	
Coalition for Bicol Development	Social Development Week Trade Fair 2006	10,000	10,000	
Cordillera Network of Development NGOs and POs	Social Development Week Trade Fair 2006	10,000	10,000	
Hugod Aklahon Producers Association	Social Development Week Trade Fair 2006	10,000	10,000	
Philippine Center for Traditional Medicine	Social Development Week Trade Fair 2006	10,000	10,000	
Kababayan-an Alang sa Teknolohiya ng Haum sa Kinaiyahan ug Kauswagan	Social Development Week Trade Fair 2006	10,000	10,000	
Marinduque Organized Ventures Services, Inc.	Social Development Week Trade Fair 2006	10,000	10,000	
Organic Producers Trade Association Cooperative	Social Development Week Trade Fair 2006	10,000	10,000	
Palawan Network of NGOs, Inc.	Social Development Week Trade Fair 2006	10,000	10,000	
Upland Marketing Foundation Inc.	Social Development Week Trade Fair 2006	10,000	10,000	
Marinduque Organized Ventures Services Inc.	Peñafrancia Festival Trade Fair 2006	10,000	10,000	

PROPONENT ORGANIZATION	PROJECT TITLE	TOTAL	GRANT	LOAN
Cordillera Network of Development NGOs and POs	Peñafrancia Festival Trade Fair 2006	10,000	10,000	
Organic Producers and Trade Association	Social Development Week-Visayas	10,000	10,000	
Palawan Network of NGOs, Inc.	Peñafrancia Festival Trade Fair Exhibit 2006	5,000	5,000	
CALAMITY ASSISTANCE				
Marinduque Organized Ventures Services Inc.	Assistance to Typhoon Reming Victims	500,000	500,000	
Coalition for Bicol Development	Relief Operations for the Bicol Region	500,000	500,000	
RESEARCH & DEVELOPMENT				
Lingap Para sa Kalusugan ng Sambayanan Inc.	A Participatory Action Research towards Developing a Comprehensive Sorsogon Tourism Plan	132,000	132,000	
Atikha Overseas Workers and Communities Initiative Inc.	Market Research and Development of Business Plan and Business Model for Coco Natur	130,000	130,000	
Green Initiatives Inc.	Development of Indicative Livelihood Feasibility Studies of the Dupinga Dumagats, Dupinga Watershed of Nueva Ecija	115,368	115,368	

■ Visayas

PROPONENT ORGANIZATION	PROJECT TITLE	TOTAL	GRANT	LOAN
BASIC SERVICES				
People's Fair Trade Assistance Center	Villafuerte Potable Water System Development	1,281,911	1,281,911	
Nagkahiusang Mag-uuma sa Overland	Overland Potable Water System Redevelopment Project: A Part of Buenavista Uplifting Groups for Water Access (BUGWAC)	653,691	653,691	
Nagkahiusang Pundok Alang sa Kalikupan	Tungod Organization on Water and Environmental Resources (TOWER)	626,295	626,295	
Ilaya Sustainable Farmers Association	Level II Piped-Water System Development in Sitios Lited and Centro, Brgy. Ilaya, Inabanga, Bohol	590,838	590,838	
Lusong United Farmers Association	Lusong Potable Water System Development Project: A Part of Buenavista Uplifting Groups for Water Access (BUGWAC)	562,193	562,193	
Uswag Development Foundation, Inc.	Botika ng Aklan	552,000	552,000	
Lundag Eskaya Tribe Multi-Purpose Cooperative	Lundag Potable Water System Development Project	433,029	433,029	
Pagtambayayong Foundation, Inc.	Eco Fishing Village in Tonggo Is., Cordova, Cebu	400,000	400,000	
LIVELIHOOD & ENTERPRISES				
Negros Women for Tomorrow Foundation, Inc.	Micro-crop Loan Outreach and Support Services	14,515,818	2,515,818	12,000,000
Iloilo Caucus of Development NGOs	Poverty Reduction Outreach - Iloilo (PRO-ILOILO)	5,395,200	895,200	4,500,000
Carmen Multi-Purpose Cooperative	Palay Marketing Project II	1,036,000	36,000	1,000,000
Sibunag Seaweeds Growers and Traders Association, Inc.	May K sa Dagat	1,000,000	1,000,000	
Multi-Sectoral Alliance for Development – Negros (MUAD)	Manikang Putik Project: Paghubog at Ugnayan Tungo Sa Industriya Ng Kabataan	550,000	550,000	
Alternative Indigenous Development Foundation Inc.	Essential Oil Production	500,000	500,000	
Love All Maassinon for Progress, Unity and Service Maasin Credit Cooperative	Kalambuan sa Maasin (KASAMA) Microfinance Project	250,000	0	250,000
Naga, Rawis, Villa Corro, Looc Mangrove Fisherfolk Association	Mudcrab Production in Mangrove	150,000	150,000	
Association of Persons with Disabilities	Microfinance Program for APWDS	150,000	150,000	

PROPONENT ORGANIZATION	PROJECT TITLE	TOTAL	GRANT	LOAN
Tolibao Farmer-Fisher Folks Multi-Purpose Cooperative	Credit Services	150,000	150,000	
Balaquid Agrarian Reform Beneficiaries Multi-Purpose Cooperative	Fertilizer and Palay Trading	150,000	150,000	
Kauswagan Development Cooperative	Sustainable Market through Strengthening Management Capacity	134,000	134,000	
Tuburan Small Fishermen Association	Capital Assistance for Community-based Micro-Lending	124,000	124,000	
Uswag Arts and Crafts	Purchase of High Speed Sewing Machine	30,000	30,000	
PARTNERSHIP & ACCESS CENTERS				
Multi-Sectoral Alliance for Development – Negros (MUAD)	Provincial Development Fund for the Improvement of Small Income Families in Negros Occidental	7,500,000	2,500,000	5,000,000
Northern Samar Provincial Access Center	Establishment and Operation of Norte Samaron Partnership and Access Center	5,000,000	3,000,000	2,000,000
Multi-Sectoral Alliance for Development – Negros (MUAD)	Organic Products and Enterprise Development Pro-Active Project	500,000	500,000	
CAPACITY BUILDING				
Alternative Indigenous Development Foundation Inc.	Participation to the Natural Health Fair 2006	150,000	150,000	
Danao-Atotes-Matobato Multi-Purpose Cooperative	CouPol Project	150,000	150,000	
Animo Puppet Theater, Inc.	Terraputik Workshop/Training	143,198	143,198	
Culion Foundation, Inc. (in partnership with DOH, IDO-NCDCPC, and PHOs)	Convenor's Assembly for the Elimination of Lymphatic Filariasis in PEF's Priority Provinces	132,390	132,390	
Biliran Provincial Union of Cooperatives	Organizational Strengthening and Enterprise Development	105,000	105,000	
Handicraft of Aklan Multi-Purpose Cooperative	Social Development Week-Visayas	23,180	23,180	
Ilonggo Producers Association	Social Development Week-Visayas	20,920	20,920	
Southern Partners and Fair Trade Corporation	Fair Trade Bazaar	20,600	20,600	
Multi-Sectoral Alliance for Development in Negros	Phil-Japan Partnership Trade Fair	16,000	16,000	
Hiniusang Katawhan sa Bantayan	Social Development Week Trade Fair 2006	10,000	10,000	
Multi-Sectoral Alliance for Development – Negros (MUAD)	Social Development Week Trade Fair 2006	10,000	10,000	
ABAI Weavers Multi-purpose Cooperative	Social Development Week Trade Fair 2006	10,000	10,000	
Handicraft of Aklan Multi-Purpose Cooperative	Social Development Week Trade Fair 2006	10,000	10,000	
Bahandi Producers Association of Eastern Visayas	Social Development Week Trade Fair 2006	10,000	10,000	
Antique Development Foundation, Inc.	Social Development Week Trade Fair 2006	10,000	10,000	
Hugod Aklanon Producers Association	Social Development Week-Visayas	8,260	8,260	
Uswag Arts & Crafts	Social Development Week-Visayas	8,260	8,260	
Antique Development Foundation	Social Development Week-Visayas	7,860	7,860	
Valencia Fiber Producers Marketing Cooperative, Inc.	Social Development Week-Visayas	7,400	7,400	
Hiniusang Katawhan Sa Bantayan Cooperative	Social Development Week-Visayas	7,100	7,100	
Lihok Pilipina Foundation Inc.	Peñafrancia Festival Trade Fair Exhibit	5,000	5,000	
CALAMITY ASSISTANCE				
Pacific Farmers Livelihood Developers, Inc.	Relief Assistance for Guinsaugon Landslide Victims in Southern Leyte	202,245	202,245	
Iloilo Caucus of Development Non-Government Organizations, Inc.	Emergency Relief Assistance for Guimaras Oil Spill	200,000	200,000	

Mindanao

PROPOSER ORGANIZATION	PROJECT TITLE	TOTAL	GRANT	LOAN
BASIC SERVICES				
Community Organizers Multiversity sa Mindanaw	BATNA Potable Water System Development Project	4,501,964	4,501,964	
Yamog Renewable Energy Development Group Inc.	Tubig para sa Salumay Project	1,194,976	1,194,976	
Al Mujadilah Development Foundation, Inc.	Sugod Mawatan Potable Water Spring Development Project	480,363	480,363	
Kinabalan, Landayan, Kalisig Multi-Purpose Cooperative	Kinabalan Potable Water System Expansion Project	320,401	320,401	
Sulangon Rural Waterworks and Sanitation Services Cooperative, Inc.	Sulangon Rural Waterworks and Sanitation Services Improvement Project	236,007	236,007	
Transparency and Accountability Network, Inc.	Diversified Interventions for Malaria Control and Prevention	150,000	150,000	
Brokenshire Integrated Health Ministries, Inc.	Massage and Reflexology Training	147,266	147,266	
Polytechnic Foundation of Cotabato and Asia, Inc.	Massage, Health Care and Reflexology Training	144,166	144,166	
LIVELIHOOD AND ENTERPRISES				
Bukidnon Cooperative Bank	Sariling Impok Kita at Pag-asenso	5,100,000	100,000	5,000,000
Extension Farmers Multi-Purpose Cooperative	EFMPC Rehabilitation Plan	1,880,000	80,000	1,800,000
Kamanepa Multi-Purpose Cooperative	Microfinance Expansion to Tulunan Women and Support to Zero Chemical Rice Production Project	1,430,000	130,000	1,300,000
Lanao Foundation Inc.	Asset Based Community Development Project	1,000,000	1,000,000	
Don Bosco Foundation for Sustainable Development, Inc.	Bios Dynamis Health Foods Center-Davao City Branch	650,000	150,000	500,000
Muslim Center for Alternative Rural Development, Inc.	Micro-Enterprise Development Project	580,000	80,000	500,000
PARTNERSHIP & ACCESS CENTERS				
Nagdilaab Foundation, Inc.	Building Capacities towards the Establishment of a Partnership and Access Center in Basilan	5,052,000	5,052,000	
Mindanao Coalition of Development NGO Networks	Davao City Partnership and Access Center (PAC) Project	5,044,500	3,944,500	1,100,000
Sarangani Province Empowerment and Community Transformation Forum	Sarangani Province Access Center (SPACE) Project	5,018,000	5,018,000	
Center for Social Concerns and Development	Building and Establishment of a Community Coalition Partnership and Access Center in Dipolog	4,812,000	4,312,000	500,000
CAPACITY BUILDING				
La Frutera Community Development Foundation, Inc.	Training on Welding, Fabrication, Carpentry and Plumbing	150,000	150,000	
Nagdilaab Foundation, Inc.	Strengthening of CSOs and Potable Water Writeshop	150,000	150,000	
Institute of Primary Health Care- Davao Medical School Foundation	Natural Health Fair	150,000	150,000	
Mindanao Coalition of Development NGO Networks	Citizens' Consultation for Federalism and Charter Change	147,500	147,500	
Center for Advancement and Strengthening Community, Inc.	Organizing and Formalizing of SPECTRUM	135,000	135,000	
Mindanao Coalition of Development NGO Networks	MINCODE Celebration of Social Development Work	100,000	100,000	
Community Organizing Davao Experience Foundation, Inc.	Microfinance Council Meeting	100,000	100,000	

PROPONENT ORGANIZATION	PROJECT TITLE	TOTAL	GRANT	LOAN
Mindanao Land Foundation	3rd CSO Forum on Community Development Approaches in Mindanao- Championing and Celebrating Best Practices for Peace and Development	50,000	50,000	
Mindanao Land Foundation	People's Organization Festival of Best Practices	50,000	50,000	
Coalition of Social Development Organizations in South Cotabato	Social Development Week-Visayas	22,000	22,000	
Claret Samal Foundation, Inc.	Social Development Week-Visayas	20,630	20,630	
Claret Samal Foundation, Inc.	Social Development Week Trade Fair 2006	15,000	15,000	
Coalition of Social Development Organizations in South Cotabato	Social Development Week Trade Fair 2006	10,000	10,000	
Center for Social Concerns and Development	Social Development Week-Visayas	5,000	5,000	
Kababayan-an Alang sa Teknolohiya nga Haum sa Kinaiyahan ug Kauswagan	Social Development Week-Visayas	5,000	5,000	
CALAMITY ASSISTANCE				
Tawi-tawi Family Life Foundation, Inc.	Emergency Relief Assistance	200,000	200,000	
Mindanao Tulong Bakwet, Inc.	Relief Operations to the Internally Displaced Persons in Maguindanao	92,000	92,000	
Katotohanan, Pagkakaisa at Serbisyo - Small Enterprise and Economic Development	KPS SEED Microfinance Project Impact Assessment in General Santos City and Sarangani Province	125,000	125,000	

■ National

PROPONENT ORGANIZATION	PROJECT TITLE	TOTAL	GRANT	LOAN
LIVELIHOOD & ENTERPRISES				
Association of Foundations	Social Development Week 2006	3,192,000	3,192,000	
PARTNERSHIP & ACCESS CENTERS				
National Council of Social Development Foundations of the Philippines, Inc.	Microfinance and Family Enterprise Project for CAMANAVA	9,800,000	3,800,000	6,000,000
CAPACITY BUILDING				
Benigno S. Aquino, Jr. Foundation, Inc.	Harnessing People Power to Scale up Microfinance in the Philippines	1,070,000	1,070,000	
Resource Alliance	A Training and Mentoring Program on Resource Mobilization for PACs	707,820	707,820	
Organic Certification Center of the Philippines	Development of Organic Agriculture in the Philippines	505,575	505,575	
Philippine Cooperative Center	8th National Cooperative Summit	500,000	500,000	
Community Volunteer Missioners Inc.	Local Consultation on Mining in the Cordillera Region	476,810	476,810	
Maximo T. Kalaw Institute for Sustainable Development	Ecosystem-based Community-centered Sustainable Development Organization and Management (ECSOM): Start-Up Phase	450,000	450,000	
National Federation of Cooperatives of Persons with Disability	Pre-Production Planning Workshop for Implementation of DepEd 2005 10% allocation for Coops of PWDs	150,000	150,000	
Philippine Misereor Partnership	9th NCC Meeting and 2nd PMP National Assembly	150,000	150,000	
Partnership of Philippine Support Service Agencies, Inc.	A Training on Delinquency Control and Management for Microfinance Practitioners	150,000	150,000	
Foundation for Media Alternatives	Workshop on ICT Tools in Advocacy and Security for Philippine Civil Society Organizations	150,000	150,000	
People's Alternative Study Center or Research and Education in Social Development	Basic Sectors' Discourse on Charter Change and Electoral Reforms	138,000	138,000	

PROPONENT ORGANIZATION	PROJECT TITLE	TOTAL	GRANT	LOAN
Ayala Foundation, Inc.	PEF-GILAS Project Writeshop	128,881	128,881	
Childhope Asia Philippines	Roundtable Discussion on Drug and Substance Abuse among Children in the Philippines	120,000	120,000	
Philippine Partnership for the Development of Human Resources in Rural Areas	National Indigenous Peoples Conference on Mining	120,000	120,000	
Institute for Social Change and Urban Development	NUPSC-PCUP-NAPC Sandiwaan Planning Workshop	106,125	106,125	
Philippine Watershed Management Coalition	PWMC 7th National General Assembly	100,000	100,000	
Pambansang Kilusan ng mga Samahang Magsasaka	Operationalization of Strategic Plan	100,000	100,000	
Cebu Federation of Dairy Cooperatives	Subsidy for 30 delegates to the 9th Congress of the Dairy Confederation of the Philippines	100,000	100,000	
Pilipina, Inc.	Harnessing Creative Forms of Advocacy for Good Governance	88,000	88,000	
Pambansang Kilusan ng mga Samahang Magsasaka	Strategic Assessment and Planning	71,280	71,280	
Sentro ng Alternatibong Lingap Panligal	PESANTECH... 12 Years of Paralegalism: Identifying Our Gains, Enriching our Paradigms and Sustaining our Efforts	65,902	65,902	
Social Action Center - Diocese of Legazpi	Focus Group Discussion and Validation Workshop on People's Participation in Local Governance: The SAC-Legazpi Experience	58,000	58,000	
Urban Poor Institute for Community Building, Inc.	Launching of Balikatan Self-Help Housing Project	50,000	50,000	
Institute for Social Change and Urban Development, Inc.	Strategic Assessment-Planning for the 3-year Trajectories of ISCU	45,000	45,000	
Rainbow Intervention Center for Autism Foundation, Inc.	Purchase of Digital Camera for RICAFI's Documentation	20,000	20,000	
CALAMITY ASSISTANCE				
Aurora Multi-Purpose Cooperative	Relief Operations for Flood Victims in Casiguran, Aurora	300,368	300,368	
Pinag-isang Samahan sa Bundok Bulusan	Relief Assistance for Mt. Bulusan Eruption Victims	40,000	40,000	
RESEARCH & DEVELOPMENT				
Maximo T. Kalaw Institute for Sustainable Development	The Access Initiative (TAI) -Philippines: Assessing Access to Information, Participation and Justice in Decision-Making as Policy Tools for Environmental Governance	500,000	500,000	
Philippine Development Assistance Programme, Inc.	Sitangkai Seaweed Industry Master Plan Development	150,000	150,000	
Philippine Partnership for the Development of Human Resources in Rural Areas	Research and Documentation towards Creating a Mechanism for Philippine-Japan Partnership (PJP)	150,000	150,000	
International Center for Innovation, Transformation and Excellence in Governance	A Review of Livelihood Programs in Fifth and Sixth Class Municipalities in the Philippines for Ten Years (1994-2004)	150,000	150,000	
Ifugao Network of Development NGOs & POs	Ifugao Poverty Map Study Results Validation and Multi-Stakeholders Forum	130,960	130,960	
NATCCO Employees Cooperative	Microfinance Best Practices in Cooperatives	130,000	130,000	
National Pharmaceutical Foundation, Inc.	Evaluating a HEALTH Plus PPF Level Performance	108,000	108,000	
Institute on Church and Social Issues	How to Make Microfinance and Agriculture Work Together	104,750	104,750	
ADVOCACY/CAMPAIGN				
Pagbabago@Pilipinas Foundation, Inc.	Prejudice and Pride: The Forum Series on Muslims in the Philippines	200,000	200,000	



FINANCIAL report

Treasurer's REPORT

As of December 31, 2006



In behalf of the Board of Trustees, here are the results of operations and the financial condition of Peace and Equity Foundation Inc. as of December 31, 2006.

The year that was . . .

REVENUES

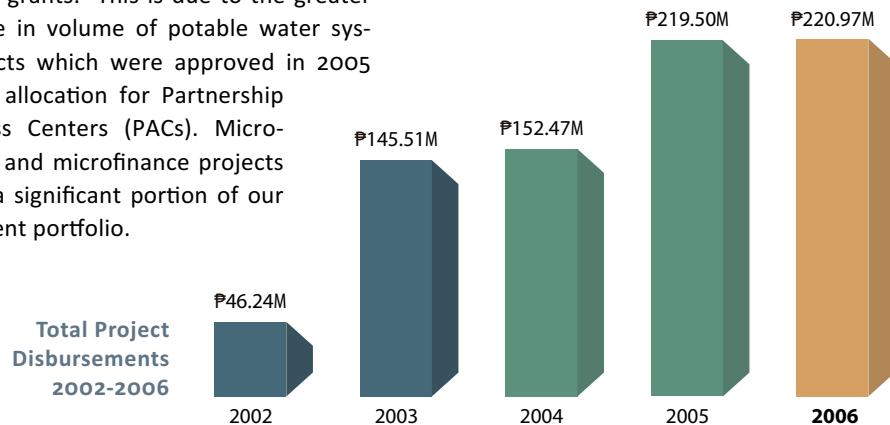
Revenues generated from the PEF Endowment Fund for the year was at record high of **₱239 million, 44.9%** better than prior year's **₱165 million**. The financial investment market, particularly for equity investments, performed quite well in 2006.

Project loans was **₱58 million**, a 29% decrease from 2005, and Grants was **₱128 million** or a 27% increase from 2005. Consequently, too, the loan to grant disbursement ratio was 3:7.

PROJECT DISBURSEMENTS

While the overall project related disbursements remained at **₱220 million** in 2006, the shift in the loan-grant ratio continued to move in favor of grants. This is due to the greater percentage in volume of potable water system projects which were approved in 2005 and grant allocation for Partnership and Access Centers (PACs). Micro-enterprise and microfinance projects still form a significant portion of our development portfolio.

Project support was **₱35 million** in 2006, a slight decrease from previous year of **₱36 million**. Expenses include activities such as poverty mapping, research and publications, capacity-building, Project Development Monitoring and Evaluation (PDME), audits and Institutional Support projects.



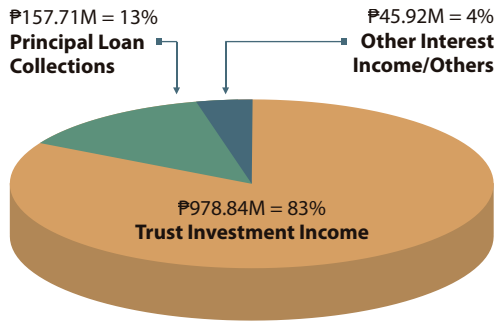
OPERATIONAL EFFICIENCY

General operating expenses registered **₱8.54 million**, 5% higher than last year but still within the operational cost-efficiency target range: **four centavos** per peso of revenue and **five centavos** per peso of project funds disbursed.

PRESERVING THE ENDOWMENT FUND

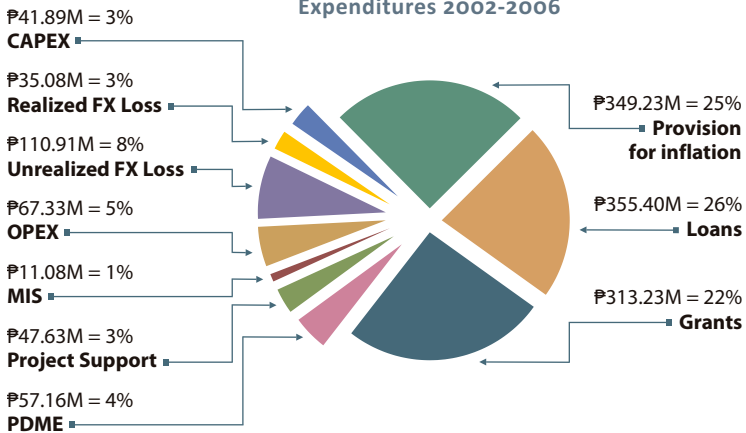
The Foundation provided another **₱79 million** (5% of the Fund) to cover the diminishing real value of the Endowment Fund due to inflation. Inflation rate at year-end was 4.6 %.

Revenues 2002-2006



- Cumulative fund reflows including investment income and loan collections total ₱1,136.5 million or an average of 17.2% a year.

Expenditures 2002-2006



- Total Uses of Funds was ₱1,389.11 M.
- The Endowment Fund was preserved by provision for cost of inflation at an average 5% per year.
- Project loans and CAPEX totaling ₱355.12 million were recorded as assets.

Moving onwards . . .

The accomplishments of the first five years are a fitting jumpstart for the Foundation’s medium term goals for 2006 to 2010. The value of the endowment fund stood at **₱1.668 million** vis-à-vis its beginning value of **₱1.318 million** and out of **₱776 million** projects approved about **₱350 million** are ongoing as at end of 2006.

Moving onwards to 2010, the Foundation aims to focus its efforts in reducing poverty in three demonstration provinces and in clusters of municipalities for the other priority areas in collaboration with its partners and stakeholders. To attain this goal, the endowment fund earnings should remain healthy and sustained, development projects innovative and trailblazing, and project spending judicious and accounted for.

In behalf of the Board of Trustees, I thank you our partners and stakeholders for being one with us in this endeavor.

Senen C. Bacani
Treasurer

Report of Independent Auditors

The Board of Directors

Peace Equity Access for Community Empowerment (PEACE) Foundation, Inc.

(A Nonstock, Nonprofit Organization)

Report on Financial Statements

We have audited the accompanying financial statements of Peace Equity Access for Community Empowerment (PEACE) Foundation, Inc., which comprise the statement of assets, liabilities and fund balances as at December 31, 2006, and the revenues and expenses statement, statement of changes in fund balances and cash flow statement for the year then ended, and notes to financial statements comprising of a summary of significant accounting policies and other explanatory notes. The financial statements of Peace Equity Access for Community Empowerment (PEACE) Foundation, Inc. for the year ended December 31, 2005 were audited by other auditors whose report, dated March 27, 2006, expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal

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control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the assets, liabilities and fund balances of Peace Equity Access for Community Empowerment (PEACE) Foundation as of December 31, 2006, and of its revenues and expenses and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary Schedules I to II of the Foundation as at December 31, 2006 and for the year then ended, required by the Securities and Exchange Commission, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO



By: **Ramilito L. Nañola**

Partner
CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 0267686, January 2, 2007, Makati City
SEC Accreditation No. 0395-A
BIR AN 08-002511-19-2006 (Sept. 8, 2006 to 2009)

March 19, 2007

PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE) FOUNDATION, INC.
(A Non-stock, Non-profit Organization)

Statement of Assets, Liabilities and Fund Balances

DECEMBER 31, 2006

WITH COMPARATIVE FIGURES FOR 2005

(AMOUNTS IN PHILIPPINE PESOS)

	2006	2005
Assets		
CURRENT ASSETS		
Cash and cash equivalents	₱ 5,292,836	₱ 7,536,176
Loans and receivables – net	57,575,402	52,684,499
Available-for-sale financial assets	1,640,914,202	1,523,428,515
Total Current Assets	1,703,782,440	1,583,649,190
NON-CURRENT ASSETS		
Loans and receivables – net	86,979,438	83,370,182
Property and equipment – net	32,256,974	21,427,679
Investment property	3,145,789	2,665,531
Total Non-current Assets	122,382,201	107,463,392
TOTAL ASSETS	₱ 1,826,164,641	₱ 1,691,112,582
Liabilities and Fund Balance		
CURRENT LIABILITIES		
Accounts payable, accrued expenses and other liabilities	₱ 19,316,894	₱ 13,202,246
Grants payable	80,205,835	48,781,968
Unused project funds	28,114,042	—
Total Current Liabilities	127,636,771	61,984,214
FUND BALANCES		
Unrestricted	30,919,038	40,519,536
Restricted	1,667,608,832	1,588,608,832
Total Fund Balances	1,698,527,870	1,629,128,368
TOTAL LIABILITIES AND FUND BALANCE	₱ 1,826,164,641	₱ 1,691,112,582

Full report of 2006 audited financial statements available at PEF website www.pef.ph or upon request.

Revenues and Expenses Statement

FOR THE YEAR ENDED DECEMBER 31, 2006

WITH COMPARATIVE FIGURES FOR 2005

(AMOUNTS IN PHILIPPINE PESOS)

	2006	2005
REVENUES, GAINS AND OTHER SUPPORTS		
Investment income – net	₱ 224,907,723	₱ 147,334,974
Interest income	13,747,944	15,631,143
Others – net	532,687	2,106,676
	239,188,354	165,072,793
EXPENSES		
Grants	127,645,937	100,574,361
Foreign exchange losses	56,080,700	89,908,598
Project expenses	35,329,515	36,383,907
General and administrative	8,540,216	8,037,985
Impairment losses	6,829,151	7,663,941
Depreciation	2,846,930	2,778,980
	237,272,449	245,347,772
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	₱ 1,915,905	₱ (80,274,979)

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PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE) FOUNDATION, INC.
(A Non-stock, Non-profit Organization)

Statement of Changes in Fund Balances

FOR THE YEAR ENDED DECEMBER 31, 2006

WITH COMPARATIVE FIGURES FOR 2005
(AMOUNTS IN PHILIPPINE PESOS)

	UNRESTRICTED FUND						Total
	Member's Contribution	Cumulative Excess (Deficiency) of Revenues over Expenses	Revaluation Reserve on Available-for-sale Financial Assets	Total Unrestricted	Restricted Fund	Total	
Balance at January 1, 2006	₱ 100,000	₱ 18,689,759	₱ 21,729,777	₱ 40,519,536	₱ 1,588,608,832	₱ 1,629,128,368	
Excess of revenues over expenses for the year	—	1,915,905	—	1,915,905	—	1,915,905	
Fair value adjustments	—	—	67,483,597	67,483,597	—	67,483,597	
Provision for cost of inflation	—	(79,000,000)	—	(79,000,000)	79,000,000	—	
Balance at December 31, 2006	₱ 100,000	₱ (58,394,336)	₱ 89,213,374	₱ 30,919,038	₱ 1,667,608,832	₱ 1,698,527,870	
Balance at January 1, 2005	₱ 100,000	₱ 252,191,186	₱ —	₱ 252,291,186	₱ 1,484,658,832	₱ 1,736,950,018	
As previously reported	—	(49,276,448)	49,276,448	—	—	—	
Effects of transition to PFRS	100,000	202,914,738	49,276,448	252,291,186	1,484,658,832	1,736,950,018	
As restated	—	(80,274,979)	—	(80,274,979)	—	(80,274,979)	
Deficiency of revenues over expenses for the year	—	—	(27,546,671)	(27,546,671)	—	(27,546,671)	
Fair value adjustments	—	(103,950,000)	—	(103,950,000)	103,950,000	—	
Provision for cost of inflation	—	—	—	—	—	—	
Balance at December 31, 2005	₱ 100,000	₱ 18,689,759	₱ 21,729,777	₱ 40,519,536	₱ 1,588,608,832	₱ 1,629,128,368	

Full report of 2006 audited financial statements available at PEF website www.pef.ph or upon request.

Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2006

WITH COMPARATIVE FIGURES FOR 2005

(AMOUNTS IN PHILIPPINE PESOS)

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	₱ 1,915,905	₱ (80,274,979)
Adjustments for:		
Investment and interest income	(238,655,667)	(162,966,117)
Unrealized foreign exchange losses	51,279,136	59,627,664
Impairment losses	6,829,151	7,663,941
Depreciation	2,846,930	2,778,980
Reversal of (provision for) retirement benefits	(150,556)	190,278
Loss (gain) on disposal of property and equipment	56,347	(2,966)
Contributions to retirement fund	(318,401)	(100,858)
Recovery of write-off of loans and receivables	—	(1,941,719)
Operating loss before working capital changes	(176,197,155)	(175,025,776)
Increase in loans and receivables	(14,860,353)	(23,904,839)
Decrease in trading investments in trust funds	—	1,653,289,314
Increase in available-for-sale financial assets	(101,281,226)	(1,610,602,850)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	6,114,648	(29,867,387)
Increase in grants payable	31,423,867	30,649,614
Increase in unused project funds	28,114,042	—
Net Cash Used in Operating Activities	(226,686,177)	(155,461,924)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment and interest income received	238,655,667	161,681,446
Proceeds from sale of property and equipment	83,109	9,400
Acquisitions of property and equipment	(13,815,681)	(6,057,158)
Increase in investment property	(480,258)	(2,665,531)
Net Cash from Investing Activities	224,442,837	152,968,157
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,243,340)	(2,493,767)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,536,176	10,029,943
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱ 5,292,836	₱ 7,536,176

Full report of 2006 audited financial statements available at PEF website www.pef.ph or upon request.



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